

Enersense International Plc and MBÅ Invest Oy have signed a combination agreement concerning the merger of MBÅ Invest Oy with Enersense International Plc

Enersense International Plc

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Enersense International Plc ("**Enersense**" or "**the Company**") and MBÅ Invest Oy ("**MBÅ Invest**") announce that their respective Boards of Directors have today signed a combination agreement ("**Combination Agreement**") and a merger plan ("**Merger Plan**") on the basis of which Enersense's second largest shareholder MBÅ Invest will merge with Enersense ("**Merger**"). The merger is expected to take place on 1 April 2023 ("**Merger's Effective Date**").

The purpose of the Merger is to increase the transparency and equality of the ownership and governance, and simplify the ownership structure of Enersense. The transaction will bring MBÅ Invest's holding better to the fore and make the executives' true ownership in the Company transparent. The transaction will also increase the management's commitment through long-term transfer restrictions on shares. The elimination of indirect ownership is also aimed at improving the liquidity of Enersense shares.

MBÅ Invest's owners include Enersense executives and investors external to the Company, and it currently has a holding of 2,253,072 Enersense shares, corresponding to approximately 13.83 per cent of Enersense's share capital. The Merger will have no impact on the net amount of Enersense's shares, which will remain unchanged.

The transaction costs will be borne by MBÅ Invest Oy, and the transaction will not entail any costs or additional liabilities to Enersense. MBÅ Invest has no employees, and it is not engaged in other business than the management of its Enersense shares.

Transaction highlights

- The proposed Merger will be implemented as an absorption merger whereby the shareholders of MBÅ Invest will receive as merger consideration new shares issued by Enersense in proportion to their existing shareholding. The merger consideration will be paid in full through the new shares issued by Enersense, and their total number will be equal to the number of shares owned by MBÅ Invest on the Effective Date.
- The new Enersense shares issued as merger consideration will be listed on Nasdaq Helsinki Ltd after the completion of the Merger. The Company's shares that will be transferred to Enersense upon the completion of the Merger will be cancelled and removed from the Trade Register and delisted following the completion of the Merger.

Making a zero-emission society a reality.

- The parties have agreed that MBÅ Invest and its shareholders will bear, in addition to their own costs and expenses, also the transaction-related costs and expenses of Enersense, not including Enersense's internal HR expenses.
- In the Combination Agreement, the shareholders of MBÅ Invest have undertaken to vote, give their consent and perform any other necessary measures required to implement the Merger.
- The transaction is conditional upon the resolution of the Extraordinary General Meeting to be convened later on and upon certain other conditions described below under 'Overview of Merger Terms and Conditions'. The implementation of the Merger is subject to its approval by a majority of two thirds of votes cast and shares represented at the respective Extraordinary General Meetings of Enersense and MBÅ Invest.
- The shareholders of MBÅ Invest are committed to the restrictions on transferal described in more detail in the Combination Agreement that apply to the shares issued as Merger Consideration for 12–24 months after the listing of the shares, as separately agreed.
- The Boards of Directors of Enersense and MBÅ Invest unanimously recommend the combination to their respective shareholders.
- If implemented, the Merger will have no impact on Enersense's financial outlook.

Operation of the merging companies before the completion of the Merger

As of the date of the Merger Plan, both Enersense and MBÅ Invest will continue to conduct their business in accordance with their previous practices, however taking into account what has been separately agreed in the Merger Plan.

Enersense is entirely free, to the extent permitted by applicable law, to decide on its business and any details related thereto.

Among other things, MBÅ Invest:

- may sell a maximum of 150,000 Enersense shares under its ownership, as agreed in the Merger Plan, before the completion of the Merger;
- may not, in addition to selling the above-mentioned 150,000 Enersense shares, sell, swap or otherwise transfer the right of use to its assets or grant a right of use thereto except for at market terms in the ordinary course of MBÅ Invest's business;
- may not take out or grant a loan or commit to a guarantee or any other financial liability or give any other security;
- may not decide to pay dividends or undertake any other distribution of funds, except for the 200,000 euro dividend payable for the financial year 2021;
- may not change its Articles of Association, and there may not be changes in its ownership
- shall pay all its debts and liabilities before the Merger's Effective Date (both matured and unmatured) or must have sufficient funds for the payment of the debts and liabilities specified above.

Overview of Merger terms and conditions

The proposed Merger of Enersense and MBÅ Invest will be implemented through an absorption merger as referred to in the Finnish Limited Liability Companies Act, whereby all the assets, rights and liabilities of MBÅ Invest will be transferred without liquidation proceedings to Enersense. As a result of the completion of the Merger, MBÅ Invest will automatically dissolve.

The total number of new shares issued to the shareholders of MBÅ Invest as Merger Consideration will be adjusted to match the total number of Enersense shares owned by MBÅ Invest on the Merger's Effective Date (the "**Total Amount of Merger Consideration**") however such that the number of new Enersense shares issued as Merger Consideration may be a maximum of 2,253,072, which equals the number of Enersense shares owned by MBÅ Invest on the date of the signing of the Merger Plan.

The distribution of the Total Amount of Merger Consideration among MBÅ Invest's shareholders is based on MBÅ Invest's ownership interest at the end of the day preceding the Merger's Effective Date. As merger consideration, MBÅ Invest's shareholders will receive, of the Total Amount of Merger Consideration, an amount of Enersense's new shares that corresponds to the shareholder's ownership interest in MBÅ Invest at the end of the day preceding the Merger's Effective Date ("**Merger Consideration**"). If the number of Company shares received by MBÅ Invest's shareholder as Merger Consideration (for each book-entry account) is a fraction, the number of new shares to be given as Merger Consideration will be rounded down to the nearest whole share.

If the Merger is completed, Enersense will void all Enersense shares transferred to its ownership in connection with the Merger.

Furthermore, the parties have agreed in the Merger Plan that MBÅ Invest and its shareholders will bear, in addition to their own costs and expenses, also the transaction-related costs and expenses of Enersense, not including Enersense's internal HR expenses.

The proportion of MBÅ Invest's largest shareholders (Suotuuli Oy, ProUp Oy, PM Ruukki Oy and Jussi Holopainen) of the new shares issued by Enersense as Merger Consideration totals approximately 75.31 per cent.

In connection with the Merger, all MBÅ Invest's shareholders commit to restrictions on transferal concerning Enersense's new shares that they receive in the Merger, as specified in the provisions of the Combination Agreement. The transferal restrictions apply to a total of 100 per cent of the shares received by MBÅ Invest's shareholders as Merger Consideration for a period of 12 months from the listing of the shares, with the following exceptions:

- i. Each MBÅ Invest shareholder has the right to sell or otherwise transfer, without limitations, a maximum of 50,000 shares;
- ii. MBÅ Invest's shareholders, except for Jussi Holopainen, Jaakko Leivo and Suotuuli Oy, have the right to sell or otherwise transfer their shares received as Merger Consideration without time

- limits as a so-called block trade provided that the block trade carried out by the shareholder involves at least 120,000 shares;
- iii. Jussi Holopainen, Jaakko Leivo and Suotuuli Oy may, for the part that exceeds the amount specified under item (i), without limitations sell or otherwise transfer 50% of the shares they received as Merger Consideration after a period of twelve (12) months and the remaining 50% of the shares after a period of twenty-four (24) months from the listing of the shares.

Conditions for the Merger and timetable

The Merger is subject to conditions including:

- the Extraordinary General Meetings of Enersense and MBÅ Invest, which are to be convened later on, approve the Merger by a majority of two thirds of votes cast and shares represented. The Extraordinary General Meetings are expected to take place in November 2022.
- Enersense's financing partners approve the Merger.

If the conditions are met, the Merger is expected to be completed by 1 April 2023. The intention is to apply for the listing of the new Enersense shares issued as Merger Consideration on Nasdaq Helsinki Ltd after the completion of the Merger no later than 31 May 2023.

The Merger Plan is included as an annex to this stock exchange release and contains information, inter alia, on the Merger Consideration to MBÅ Invest Oy's shareholders, the planned timetable for completion of the Merger and the conditions for the completion of the statutory Merger.

MBÅ Invest in brief

MBÅ Invest is a holding company that was founded in 2020. The company is focused on managing the Enersense shares it owns, and it is not engaged in other business. In February 2020, MBÅ Invest purchased 2,753,072 Enersense shares from the main shareholder at that time, Corporatum Oy. MBÅ Invest's holding in Enersense has been 46.29 per cent at its highest (April 2020–July 2020), while currently it is 13.83 per cent.

MBÅ Invest has no employees.

At the time of signing the Merger Plan, two of MBÅ Invest's eleven shareholders work in management positions at Enersense (Jussi Holopainen and Jaakko Leivo) and one shareholder acts as a member of Enersense's Board of Directors (Petri Suokas, Suotuuli Oy).

If the Merger is completed, the four largest MBÅ Invest shareholders (Suotuuli Oy, ProUp Oy, PM Ruukki Oy and Jussi Holopainen), who own a total of 75.31 per cent of MBÅ Invest's shares, would, after the completion of the Merger, hold Enersense shares as presented in the table below. The holdings presented in the table have been calculated on the presumption that Company shares received by Enersense in connection with the Merger have been cancelled, 2,253,072 new Enersense shares have been issued as Merger Consideration and the total number of Enersense's shares is 16,293,357:

Shareholder's name	Holding in MBÅ Invest	Expected holding in the Company
Suotuuli Oy (Petri Suokas)	31.25%	4.32%
ProUp Oy	18.75%	2.59%
PM Ruukki Oy	12.81%	1.77%
Jussi Holopainen	12.50%	1.72%

Combination Agreement

On 23 September 2022, Enersense and MBÅ Invest and its shareholders have signed a Combination Agreement, in accordance with which Enersense and MBÅ Invest will merge their businesses through an absorption merger as referred to in the Limited Liability Companies Act.

The Combination Agreement contains certain customary representations and warranties as well as undertakings, such as MBÅ Invest conducting its business in the ordinary course of business until the completion of the merger, keeping the other party informed of any and all matters that may be of material relevance for the purposes of effecting the completion of the Merger, and cooperating with the other party with the purpose of implementing the Merger.

Moreover, MBÅ Invest and its shareholders have given Enersense certain customary representations and warranties related to, inter alia, authority to enter into the Combination Agreement, due incorporation, status of the shares in the respective company, preparation of financial statements and interim reports, compliance with applicable licenses, laws and agreements, legal proceedings, ownership of the company's assets, taxes and the due diligence materials provided to Enersense. Furthermore, the shareholders of MBÅ Invest have agreed not to sell, mortgage or otherwise transfer MBÅ Invest's shares that they own before the completion of the Merger.

The parties will bear their own fees, costs and expenses incurred in connection with the Merger, with the exception of certain costs incurred by Enersense that MBÅ Invest will bear.

The Combination Agreement may be terminated by mutual decision of the Boards of Directors of Enersense and MBÅ Invest. Furthermore, MBÅ and Enersense may terminate the Combination Agreement (i) if the Merger has not been completed by 31 May 2023 (or at a later date agreed by the Parties) or (ii) if the Boards of Directors or EGMs of MBÅ and Enersense do not approve the Merger or other decisions related to the Merger. Enersense also has the right to terminate the agreement if MBÅ's shareholders violate certain representations, warranties and undertakings under the Combination Agreement.

Related-party transaction

The Merger constitutes a related-party transaction for Enersense since MBÅ Invest is Enersense's related party that exercises significant influence. Furthermore, Enersense's Board Member Petri Suokas, President and CEO Jussi Holopainen and Executive Team Member Jaakko Leivo are MBÅ Invest's shareholders. Petri Suokas and Jussi Holopainen are also members of the Board of Directors of MBÅ Invest. According to the assessment by Enersense's Board of Directors, the related-party transaction is in the best interest of the

Company, and it will be conducted under customary commercial terms. Petri Suokas, Jussi Holopainen and Jaakko Leivo have not participated in the discussion concerning the Merger or in the decision-making of Enersense's Board of Directors. The related-party transaction is supported by all members of the Board of Directors of Enersense who are not in a related party relationship with MBÅ Invest or the matter to be resolved.

Enersense International Plc

BOARD OF DIRECTORS

Further information:

Jaakko Eskola, Chair of the Board

Contacts:

Tommi Manninen, Senior Vice President, Communications and Public Affairs

Phone: +358 40 043 7515

E-mail: tommi.manninen@enersense.com

Distribution:

Nasdaq Helsinki

Major media

www.enersense.com

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Enersense in brief:

Enersense International Plc is a provider of zero-emission energy solutions. The company is strongly involved in supporting the ongoing energy transition and enabling a zero-emission society. The Enersense Group's turnover in 2021 was around EUR 239 million. The company has around 2,000 employees, and it operates in Finland and internationally in around 40 countries. Enersense's share is quoted on the Nasdaq Helsinki (ESENSE). The company provides information for investors at www.enersense.com/investors.